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U.S. Representative Brad Miller, House Chairmen Call for Further Investigation Into New Threats to Financial System

Washington, D.C. – **U.S. Representative Brad Miller**, along with the Chairmen of the House Financial Services and Judiciary Committees and other members of Congress, sent a letter today to the Financial Stability Oversight Council (FSOC) calling for further investigation into new threats to the financial system, specifically the stability of the largest banks.

The FSOC was established under the Dodd-Frank Act to provide comprehensive monitoring to ensure the stability of our nation's financial system by identifying threats; promoting market discipline; and responding to emerging risks.

The House members commended the FSOC's call for new stress tests of banks to examine stability issues, including new liabilities such as the foreclosure paperwork irregularities and mortgage servicing conflicts of interests regarding second liens. The lawmakers urge the Council to examine a random, representative sample of collateral loan files of each major servicer, not files selected by the servicers. In addition, the letter urges the Council to examine the servicing of first mortgage by servicers that hold second liens or are affiliated with firms that hold second liens, a potential conflict of interest.

"It is crucial to identify risks to the financial system as soon as possible so regulators can take corrective action to minimize the disruption to the financial systems," **Rep. Miller** said. "It would serve the public well to examine these issues and reveal the results."

The full text of the letter to the FSOC is [attached](#) .

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